



LFC Requester: Liu

**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2025 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 02/13 /25

Bill No: HB0365

Agency Name and Code: PED - 924

Sponsor: Garratt

PED Lead Analyst: David Vincent

Phone: (505) 695-6574 **Email:** David.vincent@ped.nm.gov

Short Title: PUBLIC EDUCATION
COMMISSION STAFF

PED Policy Director: Denise Terrazas

Phone: (505) 470-5303 **Email:** denise.terrazas@ped.nm.gov

SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	None	None

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: None.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 365 (HB365) proposes to remove the Public Education Commission's (PEC) [administrative attachment](#) to the Public Education Department (PED). The bill would replace the PED Charter Schools Division with a newly created State Charter Schools Office to staff the PEC.

The PEC would continue to act as the chartering authority for state-chartered charter schools, executing data sharing agreements with PED to ensure smooth administration and oversight with relevant departmental data. HB365 would direct CSD personnel, funds, records, equipment, and other assets be transferred to the proposed SCSO. Additionally, any contractual obligations of the CSD would become the responsibility of the SCSO, and all statutory references to the former division would be interpreted as referring to the newly established office.

The bill has an effective date of July 1, 2026.

FISCAL IMPLICATIONS

The bill does not contain an appropriation.

It is unclear from the language of the bill how the newly established office would be funded from year to year. No longer administratively attached to PED, the PEC would lack its own budgetary authority. Cabinet secretaries are empowered by the Executive Reorganization Act to prepare an annual budget for their agency. Administratively attached agencies, such as PEC, prepare their own budgetary requests for submission to their parent agency and inclusion in its overall budget. The bill would remove the PEC's administrative attachment to PED, but makes no alternative provision for the preparation of its own budget. SCSO would no longer be a division of the PED and would lack PED funding in the future.

There are 17 full time CSD staff, at a cost of approximately \$2 million, annually. Decoupling the CSD would have some inherent costs such as file transfer and maintenance, rent, and other operational costs that would be associated with the creation of the SCSO.

The bill would remove the CSD and its staff and assets from the PED, while the PED still retains significant oversight and regulatory responsibilities over all public schools, including both locally and state-chartered charter schools.

SIGNIFICANT ISSUES

While the proposed change would create significant fiscal and operational impacts to PED, the resulting effect of state-level governance of state-chartered charter schools upon student achievement is unclear.

The PEC would collaborate with PED for data-sharing and strategic planning, whereas currently, CSD has access to this information without contractual negotiations and obligations.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

Data sharing and collaboration between PED and PEC staff would add additional administrative burden to both entities.

The PED would need to review and likely substantially amend its rules related to charter school governance and operations.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

- House Joint Resolution 4, State Board of Education, CA, which would propose an amendment to the Constitution of New Mexico to replace the currently serving PEC with a new State Board of Education (SBE) with authority over public school policy, career technical education policy, financial management, and oversight of public schools. The SBE would hire a state Superintendent of Public Instruction in place of the Secretary of Public Education.
- House Joint Resolution 13, State Board of Education, CA which would propose an amendment to the Constitution of New Mexico to continue the PEC as the chartering authority for state-chartered charter schools and create a separate SBE that determines school policy and has control, management and direction for public schools and that appoints a Superintendent of Public Instruction to carry out the policies of the board in place of the Secretary of Public Education.
- Senate Bill 245, Charter Schools as Boards of Finance, which proposes to require locally chartered charter schools to qualify as their own boards of finance.
- Senate Joint Resolution 3, State Education Board, CA, which would propose an amendment to the Constitution of New Mexico to make the current PEC the SBE and to replace the Secretary of Public Education with a Superintendent of Public Instruction supervising public schools.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

The PED Charter Schools Division is known currently as the [Options for Parents and Families Division](#).

ALTERNATIVES

The bill, as noted, leaves PED with none of its current roster of charter school experts, as it transfers the entirety of the CSD, including personnel, monies, and assets to the SCSO. The sponsor may consider addressing this issue by either creating a new staff office for PEC, while leaving at least some staff and resources to the department for its continued oversight and support of charter schools.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

The sponsor may wish to consider amending the bill to provide PEC with some mechanism by which it may prepare and submit its own annual budget for the legislature's approval.